

FOR WIRE TRANSMISSION 10:00 A.M. ET, Tuesday, February 15, 2005

CB-05-15

## **MANUFACTURING AND TRADE INVENTORIES AND SALES** **December 2004**

**INTENTION TO REVISE:** Revisions to the Retail and Wholesale adjusted and unadjusted monthly estimates for sales and inventories are scheduled for release on March 31, 2005. Estimates will be revised to reflect the results of the 2003 annual surveys, as well as the preliminary results of the 2002 Economic Census. Manufacturing estimates will be revised at a later date. Revisions to the Retail and Wholesale data will be reflected in the February 2005 Manufacturing and Trade Inventories and Sales release scheduled for April 14, 2005.

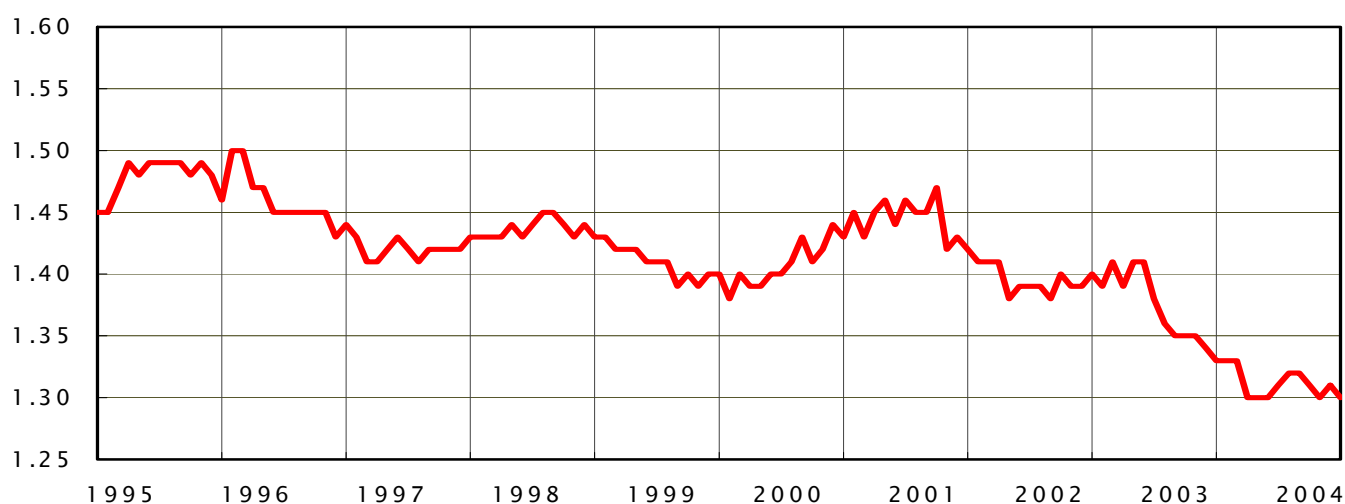
**Sales.** The Census Bureau of the Department of Commerce announced today that the combined value of distributive trade sales and manufacturers' shipments for December, adjusted for seasonal and trading-day differences but not for price changes, was estimated at \$984.6 billion, up 1.0 percent ( $\pm 0.3\%$ ) from November and up 10.6 percent ( $\pm 0.3\%$ ) from December 2003.

**Inventories.** Manufacturers' and trade inventories adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$1,278.2 billion, up 0.2 percent ( $\pm 0.2\%$ ) from November and up 7.8 percent ( $\pm 2.1\%$ ) from December 2003.

**Inventories/Sales Ratio.** The total business inventories/sales ratio based on seasonally adjusted data at the end of December was 1.30. The December 2003 ratio was 1.33.

### **Total Business Inventories/Sales Ratios: 1995 to 2004**

(Data adjusted for seasonal, holiday and trading-day differences but not for price changes)



**The Manufacturing and Trade Inventories and Sales Report for January is scheduled for release March 15, 2005 at 10:00 a.m.**

Questions concerning this report may be addressed to: Scott Scheleur (301) 763-2713 (Retail), Chris Savage (301) 763-4834 (Manufacturing), or Nancy Piesto (301) 763-2747 (Wholesale). Electronic inquiries may be sent to: [retail.trade@census.gov](mailto:retail.trade@census.gov).

The wholesale and manufacturing data in this report also appear in the following monthly Census Bureau publications: Current Industrial Reports (see M3 series for manufacturers data) and Current Business Reports (see BW series for merchant wholesalers). Retail data are available on the Census website at <http://www.census.gov/mrts/www/mrts.html>. December data was released February 3 for Manufacturers and February 9 for merchant wholesalers. The data are also available the day of issue on the Internet-<http://www.census.gov/bussales> - and on Department of Commerce's STAT-USA website; for information, call (202) 482-1986.

**Table 1. Estimated Monthly Sales and Inventories for Manufacturers, Retailers, and Merchant Wholesalers**  
(In millions of dollars)

	Sales			Inventories <sup>1</sup>			Inventories/Sales Ratios		
	Dec. 2004	Nov. 2004	Dec. 2003	Dec. 2004	Nov. 2004	Dec. 2003	Dec. 2004	Nov. 2004	Dec. 2003
	(p)	(r)	(s)	(p)	(r)	(s)			
<b>Adjusted<sup>2</sup></b>									
Total business.....	984,612	974,925	890,318	1,278,198	1,276,129	1,186,015	1.30	1.31	1.33
Manufacturers <sup>3</sup> .....	382,691	379,147	348,485	470,553	470,877	438,584	1.23	1.24	1.26
Retailers.....	315,078	311,555	290,012	479,378	478,171	452,205	1.52	1.53	1.56
Merchant wholesalers.....	286,843	284,223	251,821	328,267	327,081	295,226	1.14	1.15	1.17
<b>Not Adjusted</b>									
Total business.....	1,044,240	967,364	944,095	1,264,230	1,309,304	1,172,987	1.21	1.35	1.24
Manufacturers <sup>3</sup> .....	380,669	373,088	345,976	459,484	472,196	428,176	1.21	1.27	1.24
Retailers.....	372,135	310,900	340,752	473,768	507,535	446,637	1.27	1.63	1.31
Merchant wholesalers.....	291,436	283,376	257,367	330,978	329,573	298,174	1.14	1.16	1.16

See footnotes and notes at the end of Table 3.

(p) Preliminary.

(r) Revised.

(s) Adjusted data were revised due to concurrent seasonal adjustment. No revisions were made to Not Adjusted data.

**Table 2. Percent Changes for Sales and Inventories — Manufacturers, Retailers, and Merchant Wholesalers**

	Adjusted						Not Adjusted					
	Sales			Inventories			Sales			Inventories		
	Dec. 04/ Nov. 04	Nov. 04/ Oct. 04	Dec. 04/ Dec. 03	Dec. 04/ Nov. 04	Nov. 04/ Oct. 04	Dec. 04/ Dec. 03	Dec. 04/ Nov. 04	Nov. 04/ Oct. 04	Dec. 04/ Dec. 03	Dec. 04/ Nov. 04	Nov. 04/ Oct. 04	Dec. 04/ Dec. 03
Total business.....	1.0	0.4	10.6	0.2	1.1	7.8	7.9	-0.7	10.6	-3.4	1.6	7.8
Manufacturers.....	0.9	0.4	9.8	-0.1	1.0	7.3	2.0	-3.5	10.0	-2.7	0.5	7.3
Retailers.....	1.1	-0.1	8.6	0.3	1.1	6.0	19.7	2.1	9.2	-6.7	3.0	6.1
Merchant wholesalers..	0.9	0.8	13.9	0.4	1.2	11.2	2.8	-0.1	13.2	0.4	1.3	11.0

**Table 3. Estimated Monthly Retail Sales, Inventories, and Inventories/Sales Ratios, By Kind of Business**  
(In millions of dollars)

NAICS Code	Kind of Business	Sales			Inventories <sup>1</sup>			Percent Change In Inventories			Inventories/Sales Ratios		
		Dec. 2004 (p)	Nov. 2004 (r)	Dec. 2003 (s)	Dec. 2004 (p)	Nov. 2004 (r)	Dec. 2003 (s)	Dec. 04/Nov. 04	Nov. 04/Oct. 04	Dec. 04/Dec. 03	Dec. 04	Nov. 04	Dec. 03
	Adjusted <sup>2</sup>												
	Retail trade, total.....	315,078	311,555	290,012	479,378	478,171	452,205	0.3	1.1	6.0	1.52	1.53	1.56
	Total (excl. motor veh. & parts).....	233,210	232,819	214,601	317,649	314,551	298,676	1.0	1.1	6.4	1.36	1.35	1.39
441	Motor vehicle & parts dealers.....	81,868	78,736	75,411	161,729	163,620	153,529	-1.2	1.0	5.3	1.98	2.08	2.04
442,3	Furniture,home furn., elect. & appl. stores...	17,226	17,274	16,709	29,097	28,280	27,248	2.9	1.8	6.8	1.69	1.64	1.63
444	Building materials, garden equip & supplies...	31,960	31,409	27,935	55,546	54,514	47,519	1.9	1.4	16.9	1.74	1.74	1.70
445	Food & beverage stores.....	45,004	44,903	42,663	35,914	35,968	34,662	-0.2	0.7	3.6	0.80	0.80	0.81
448	Clothing & clothing access. stores.....	15,953	15,985	15,417	37,666	37,621	37,282	0.1	0.3	1.0	2.36	2.35	2.42
452	General merchandise stores.....	43,204	42,839	40,337	71,719	70,997	67,418	1.0	1.8	6.4	1.66	1.66	1.67
4521	Dept. strs. (excl. leased depts.).....	17,983	17,918	17,711	37,364	37,334	37,280	0.1	0.4	0.2	2.08	2.08	2.10
	Not Adjusted												
	Retail trade, total.....	372,135	310,900	340,752	473,768	507,535	446,637	-6.7	3.0	6.1	1.27	1.63	1.31
	Total (excl. motor veh. & parts).....	293,000	239,603	268,887	309,657	342,834	290,684	-9.7	2.3	6.5	1.06	1.43	1.08
441	Motor vehicle & parts dealers.....	79,135	71,297	71,865	164,111	164,701	155,953	-0.4	4.5	5.2	2.07	2.31	2.17
442,3	Furniture,home furn., elect. & appl. stores...	24,459	19,083	23,585	29,010	32,239	27,112	-10.0	5.3	7.0	1.19	1.69	1.15
444	Building materials, garden equip & supplies...	29,119	30,149	25,425	53,935	52,933	46,093	1.9	-0.5	17.0	1.85	1.76	1.81
445	Food & beverage stores.....	49,692	44,394	46,347	36,734	37,804	35,495	-2.8	3.0	3.5	0.74	0.85	0.77
448	Clothing & clothing access. stores.....	28,453	17,228	26,890	34,766	41,834	34,411	-16.9	0.3	1.0	1.22	2.43	1.28
452	General merchandise stores.....	65,734	47,085	60,817	67,864	84,032	63,528	-19.2	4.7	6.8	1.03	1.78	1.04
4521	Dept. strs. (excl. leased depts.).....	31,757	20,622	30,735	34,711	45,286	34,596	-23.4	3.7	0.3	1.09	2.20	1.13

(p) Preliminary

(r) Revised

(s) Adjusted data were revised due to concurrent seasonal adjustment. No revisions were made to Not Adjusted data.

<sup>1</sup> Inventories are on a non-LIFO basis as of the end of the month.

<sup>2</sup> Adjusted for seasonal variations and, in the case of sales, for trading-day differences and holiday variations. Concurrent seasonal adjustment is being used to adjust all sales, shipment and inventory estimates. Concurrent seasonal adjustment uses all available unadjusted estimates as input to the X-12-ARIMA program. The factors derived from the program are applied to the current and previous month estimates and for retail and wholesale estimates a year ago as well. For retail sales, concurrent seasonal adjustment is also used to adjust the advance estimates (published one month before the preliminary estimates) and the estimates one year before the advance month. This explains the revision to retail estimates from a year ago.

<sup>3</sup> Manufacturers sales refer to the value of shipments by manufacturers. The shipments data from individual manufacturers are adjusted prior to tabulation for the number of trading days as well as for any variations in the length of the reporting period.

Note: U.S. and group totals include kinds of business not shown. The Manufacturing and Trade Inventory and Sales estimates are based on data from three surveys: the Monthly Retail Trade Survey, the Monthly Wholesale Trade Survey, and the Manufacturers' Shipments, Inventories, and Orders Survey. The sampling variability for retailers and merchant wholesalers can be used to construct a 90 percent confidence interval for the estimates. Over all possible samples, 90 percent of such intervals will cover the true estimate. These intervals are given in parentheses for the estimates on the front page. If, for example, the estimate is up 0.8 percent and the margin of sampling error is  $\pm 1.2$  percent, the 90 percent confidence interval is -0.4 percent to +2.0 percent. If the range contains 0, it is uncertain whether there was an increase or decrease. Measures of reliability for Retail and Wholesale sales and inventory levels and changes are included in the detailed monthly press releases for those industries. Manufacturers do not contribute to estimates of sampling variability because the manufacturer's mail panel is not a probability sample from a known frame and standard errors of the industry estimates cannot be calculated. Estimates from all three surveys are also subject to nonsampling errors, which can arise in any stage of the survey. Such errors include coverage error (failure to accurately represent all population units in the sample) response errors, coding errors, and nonresponse. Although no direct measurement of these errors has been obtained, precautionary steps were taken in all phases of the collection, processing, and tabulation of the data to minimize their influence.